

HOME RULE QUESTIONS & ANSWERS

WHAT IS “HOME RULE”?

Under the 1970 Illinois Constitution, Home Rule shifts decision making from the state level (Springfield) to the local level (Crestwood) enabling communities to find local solutions to local problems.

Home Rule communities are granted a broad range of powers for the local good unless exempted by the State. Often a Home Rule community is exempted from meeting requirements mandated by state legislation.

HOW DOES A COMMUNITY BECOME HOME RULE?

Municipalities with populations over 25,000 are automatically granted Home Rule status, while smaller communities can put the question on a ballot and let voters decide. The majority (over 70%) of Illinois' 12.5 million citizens live in Home Rule communities. Among Illinois communities having Home Rule, 55% attained Home Rule status by voter approval of a Home Rule referendum. No community has petitioned to revoke Home Rule status in the past 20 years.

WHAT NEARBY COMMUNITIES ARE HOME RULE?

Alsip, Chicago Ridge, Midlothian, Oak Forest, Orland Park, Tinley Park, and Oak Lawn.

WHAT ARE THE BENEFITS OF HOME RULE?

The retention of Home Rule would provide Crestwood greater protection from state mandates and the ability to solve problems at a local level. Specifically, major benefits frequently associated with Home Rule are threefold:

Maintaining Community Character

Non Home Rule communities can only exercise powers explicitly given to them by the Illinois statutes and laws. Home Rule gives greater and more flexible powers to local decision makers to address local problems and less dependence on the State legislature to regulate. Local voters have greater access to the decision makers with more accountability. With home rule the Village has greater flexibility to preserve neighborhoods and address growth. Crestwood would have direct control over important issues that impact property values and community character.

Increased Financial Flexibility

Crestwood's long-term financial stability is being impacted by decreasing revenues (a reduction in state revenues, slow equalized assessed valuation growth, and development fees) coupled with increasing expenses (higher insurance, pension and health care costs, aging infrastructure, and additional state mandates). Home Rule is not only a flexible tool that endorses local decision making; it enables sound long-term fiscal planning.

Home Rule would provide Crestwood with the flexibility to explore new funding sources, such as a licensing/inspection fee for residential rental businesses, restaurant tax, real estate transfer tax, etc. and provide the ability to tax non-residents (daytime population) for programs and services furnished by the

Village to non-residents (for example Gas Tax and Sales Tax) making the community less reliant upon property taxes as a source of revenue.

Home Rule status would also allow the Village to use the existing Hotel Tax revenue for infrastructure (streets, sewers, etc.) instead of limiting its use solely to tourism.

Home Rule communities have more flexibility in regard to debt offerings often resulting in lower interest rates and a strengthened bond rating.

Reduced Regulation from State Mandates

Home Rule can afford Crestwood greater protection against state control.

State legislatures often impose unfunded mandates on local governments to provide certain services that fail to provide a revenue source to offset the cost of those services.

WHAT ARE THE POTENTIAL DISADVANTAGES OF HOME RULE?

Home Rule gives local government greater discretion to generate revenues through issuing bonds and increased taxes or fees -- i.e., property and sales tax increases, restaurant tax, residential rental inspection fees, etc.

Home Rule permits greater local control over decision making without state oversight and without certain procedural limitations.

Property Tax caps do not apply to Home Rule communities

WILL PROPERTY TAXES INCREASE UNDER HOME RULE?

Based on the research of Professor James Banovetz, widely regarded as the foremost expert on Home Rule in Illinois, there is no evidence that Home Rule municipalities have higher or faster growing property taxes than comparable non-Home Rule municipalities. In fact, Home Rule status is often used to shift the tax burden from property taxes to other revenue sources, such as licensing fees, restaurant tax, sales tax, etc. This would diversify the revenue base and reduce the burden on property owners. Communities that have adopted Home Rule status have seen their property taxes increase at a lower rate than non-Home Rule communities.

HOW DOES HOME RULE AFFECT SCHOOL DISTRICT FUNDING?

Home Rule has no effect on any of the School Districts in Crestwood as it is they are an independent governmental and funding body.

HOW DO RESIDENTS CONTROL THE USE OF HOME RULE?

Voters can petition to revoke a community's Home Rule status. (In Illinois, this has not occurred in the past 25 years.)

Another safeguard for taxation and spending restraint is resident participation in Village government and local elections. One-half of the Village Board Members are up for election every two years, the Mayor every four years. Crestwood has a long-standing tradition of residents staying informed on local issues and communicating with local officials. If residents view the Village Board as not fiscally prudent, residents can vote to change Board membership and leadership.

The Illinois legislature can preempt Home Rule authority by express or implied legislative action.

Constitutional prohibitions on certain Home Rule powers, i.e. may not levy taxes on income, occupation, or earnings unless specifically authorized by the State legislature. Also denies certain other powers such as issuing bonds with more than 40 year maturity or defining criminal acts as felonies.

Finally, the Mayor and Village Board Members are also residents. They would be personally impacted by any Village action.